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SUBJECT: BENIN: PRESIDENT YAYI GRANTS FUNDING TO POLITICAL PARTIES

11. (U) SUMMARY: On February 25, the Council of Ministers announced that CFA 5,000,000 (USD 10,000) per year would be granted to each political party for each one of their deputies in the National Assembly. With this decision, President Yayi has implemented the party financing provision of the 2003 Political Parties Act. Deputies and political leaders hailed President Yayi for this step towards strengthening multiparty democracy. However, many people believe that this funding will likely fuel internal disagreement within political parties over how the money is spent and who controls the funds. END SUMMARY.

12. (U) On February 25, the Council of Ministers decided to grant CFA 5,000,000 (USD 10,000) per deputy to political parties represented in the National Assembly. This decision implemented Article 40 of the February 2003 Act No 2001-2 on Political Parties which provides that legally registered political parties that have secured at least one seat in the National Assembly shall benefit from a yearly financial grant by the government. Qualifying parties will receive CFA 5,000,000 times the number of seats they have obtained in the National Assembly. The Council of Ministers' report stated that the decision reflected the Government of Benin's commitment to gradually enforcing existing republican laws and to providing financial support to Beninese institutions as Benin achieves economic progress. On the announcement of the decision, some newspapers mistakenly relayed the information that the government would give each deputy 5 million CFA, which led to misinterpretation.

13. (U) A few suspicious politicians perceived the decision as an attempt to calm the contentious opposition while the majority of National Assembly deputies, including opposition deputies, saw the move as President Yayi's support for the role of political parties. Additionally, the new measure is expected to reduce deputies' propensity to shift from parties that supported their campaign to other parties during their terms. Though the funding is intended to advance political parties as democratic tools, there is a risk that members of political parties, especially deputies, will want to put the money into their own pockets, which will create frustration within political parties.

14. (U) About a dozen individual political parties represented in the National Assembly will benefit from the public funding. Nevertheless, the case of pro-Yayi coalition Front Cowry for the Emergence of Benin (FCBE) raises a concern; because this group is made up of various political parties, movements and associations, and one can predict that the fund sharing will be problematic. With its 35 deputies, FCBE will receive 175 million CFA per year (USD 350,000), the largest share. Adrien Houngbedji's Democratic Renewal Party-PRD (10 deputies) and Rosine Soglo's Renaissance of Benin (8 deputies) will benefit from 50 Million CFA (USD 100,000) and 40 Million CFA (USD 90,000) per year, respectively. The effort will cost the public treasury 415 million CFA (USD 830,000) per year.

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